

OVERSIGHT BOARD
SUCCESSOR AGENCY
TO THE WEST HOLLYWOOD
COMMUNITY DEVELOPMENT COMMISSION
UNFINISHED BUSINESS

MAY 21, 2012

SUBJECT: APPROVE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR THE PERIOD FROM JULY 1, 2012
THROUGH DECEMBER 31, 2012

INITIATED BY: SUCCESSOR AGENCY
(Elizabeth Savage, Acting Director - Rent Stabilization and
Housing) *ES*
(David Wilson, Interim Director - Finance) *DW*
(John Leonard, Project Development Administrator) *JL*
(Beth Rosen, Information Technology Management Analyst) *BR*

STATEMENT ON THE SUBJECT:

The Oversight Board will consider approval of the Recognized Obligation Payment Schedule for the period from July 1, 2012 through December 31, 2012.

RECOMMENDATION:

Adopt Resolution No. --- "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION ADOPTING RECOGNIZED OBLIGATION PAYMENT SCHEDULES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180"

BACKGROUND ANALYSIS:

On May 10, 2012, the Oversight Board for the Successor Agency to the West Hollywood Community Development Commission ("Oversight Board") met and reviewed the Successor Agency draft Recognized Obligation Payment Schedule, for the period July 1, 2012 through December 31, 2012 ("ROPS").

On May 9, 2012, the Successor Agency received a letter from the County of Los Angeles Chief Executive Office, which included a memorandum providing recommended changes to the ROPS ("Seifel Memorandum"). Successor Agency staff reviewed the memorandum prior to the May 10, 2012, meeting and notified the Oversight Board they were in agreement with the recommended changes in the Seifel Memorandum. Attachment A, the revised ROPS, includes these changes, as well as other suggestions and comments provided by the Oversight Board. Back-up documentation for the items listed on the ROPS was provided to the Oversight Board as part of the May 10, 2012, agenda packet, for

AGENDA ITEM IV.3.

this reason, these items have not been included as attachments again. However, these items can be provided upon request. The following provides brief descriptions of the enforceable obligations listed on the revised ROPS, as well as the changes made to the original ROPS.

Enforceable Obligation Detail - July 1, 2012 through December 31, 2012

- 1a) 2003 Tax Allocation Bond Debt Service (Non-Housing Principal) – Non-housing portion of principal repayment; due on September 1 of each year.

Payments Due/Made: \$170,446.50
Payment Source: Redevelopment Property Tax Trust Fund ("RPTTF")

- 1b) 2003 Tax Allocation Bond Debt Service (Non-Housing Interest) – Non-housing portion of interest payment; one half of the interest payment is due on March 1 and September 1 of each year.

Payments Due/Made: \$187,254.61
Payment Source: RPTTF

- 1c) 2003 Tax Allocation Non-Housing Bond Fees – Bond fee payment for non-housing portion; due on September 1 of each year.

Payments Due/Made: \$1,622.37
Payment Source: RPTTF

- 1d) 2003 Tax Allocation Bond Debt Service (Housing Principal) – Housing portion of principal repayment; due on September 1 of each year.

Payments Due/Made: \$74,553.50
Payment Source: RPTTF

- 1e) 2003 Tax Allocation Bond Debt Service (Housing Interest) – Housing portion of interest payment; one half of the interest payment is due on March 1 and September 1 of each year.

Payments Due/Made: \$81,905.39
Payment Source: RPTTF

- 1f) 2003 Tax Allocation Housing Bond Fees – Bond fee payment for housing portion; due on September 1 of each year.

Payments Due/Made: \$709.63
Payment Source: RPTTF

- 2a) 2011 Tax Allocation Non-Housing Bonds Series A Debt Service (Principal) – Principal repayment for non-housing bonds; due on September 1 of each year. The Series A Tax-Exempt Bonds were issued on March 2, 2011, with proceeds in the amount of \$30,560,000. The Series A Bond proceeds are encumbered for Phase 1 of the Plummer Park Master Plan, pursuant to the bond covenants contained in the Bond Official Statement “Plan of Finance”; see ROPS items 7a and 7b.

Payments Due/Made: \$290,000
Payment Source: RPTTF

- 2b) 2011 Tax Allocation Non-Housing Bonds Series A Debt Service (Interest) – Interest payment for non-housing bonds; one half of the interest payment is due on March 1 and September 1 of each year. The Series A Tax-Exempt Bonds were issued on March 2, 2011, with proceeds in the amount of \$30,560,000. The Series A Bond proceeds are encumbered for Phase 1 of the Plummer Park Master Plan, pursuant to the bond covenants contained in the Bond Official Statement “Plan of Finance”; see ROPS items 7a and 7b.

Payments Due/Made: \$1,041,150
Payment Source: RPTTF

- 2c) 2011 Tax Allocation Non-Housing Bonds Series A Bond Fees – Bond fee payment for non-housing bonds; due on March 1 of each year.

Payments Due/Made: None
Payment Source: n/a

- 3a) 2011 Tax Allocation Housing Bonds Series B Debt Service (Principal) – Principal repayment for housing bonds; due on September 1 of each year. The Series B Bonds were issued on March 2, 2011, with proceeds in the amount of \$9,420,000. The Series B Bond proceeds are encumbered for low and moderate income housing projects within the East Side Project Area, pursuant to the bond covenants contained in the Bond Official Statement “Plan of Finance”; see ROPS items 4a, 4b, 5a, 5b, and 6.

Payments Due/Made: \$60,000
Payment Source: RPTTF

- 3b) 2011 Tax Allocation Housing Bonds Series B Debt Service (Interest) – Interest payment for housing bonds; one half of the interest payment is due on March 1 and September 1 of each year. The Series B Bonds were issued on March 2, 2011, with proceeds in the amount of \$9,420,000. The Series B Bond proceeds are encumbered for low and moderate income housing projects within the East Side Project Area,

pursuant to the bond covenants contained in the Bond Official Statement "Plan of Finance"; see ROPS items 4a, 4b, 5a, 5b, and 6.

Payments Due/Made: \$413,806.25
Payment Source: RPTTF

- 3c) 2011 Tax Allocation Housing Bonds Series B Bond Fees – Bond fee payment for housing bonds; due on March 1 of each year.

Payments: None
Payment Source: n/a

- 4a) ALA – Janet Witkin Center Project (Affordable Housing Loan) – Financing for a seventeen (17) unit very-low income senior housing project located at 937 North Fairfax Avenue. The loan agreement was executed on April 5, 2011, in the amount of \$2,482,025.

Payments: \$2,482,025
Payment Source: 2011 Series B Housing Bond proceeds

- 4b) ALA – Janet Witkin Center Project (Oversight [Employee] Costs) – Direct employee costs to manage and oversee the terms and conditions of the agreement during pre-development and construction, including construction monitoring, to insure prudent and appropriate use of bond proceeds by the contractors and developer.

Payments: \$36,412.56
Payment Source: 2011 Series B Housing Bond proceeds

- 5a) La Brea Courtyard Project (Permanent Financing Loan) – On November 15, 2010, the CDC executed a loan with WHCHC for acquisition and pre-development financing for the project. This second loan for the project would be in the amount of \$3.5 million, and would provide a portion of the permanent financing for the project, once construction is complete. Construction on the project began the week of May 7, 2012. This obligation will be funded from 2011 Series B Housing Bond proceeds.

Payments: None
Payment Source: n/a

- 5b) La Brea Courtyard Project (Oversight [Employee] Costs) – Direct employee costs to manage and oversee the terms and conditions of the agreements during pre-development and construction, including construction monitoring to insure prudent and appropriate use of CDC funds and bond proceeds by the contractors and developer.

Payments: \$35,663.64
Payment Source: 2011 Series B Housing Bond proceeds

- 6) West Hollywood Community Housing Corporation – Disabled Access, Maintenance, and Rehabilitation for Affordable Housing Projects – WHCHC has a portfolio of 334 affordable housing units in the City. Most of these units are located in the former East Side Project Area. Several buildings are in need of rehabilitation and renovation, including greater access for the disabled. The \$1,823,938.77 cost for this project will be funded by proceeds from the 2011 Series B Housing Bonds, as encumbered in the bond covenants.

Payments: None
Payment Source: n/a

- 8a) Phase 1 – Plummer Park Master Plan (Construction Costs – Hard and Soft) – This project is the product of the Plummer Park Master Plan adopted by the City Council on November 21, 1995, and updated by the City Council on October 4, 2004. The Master Plan was developed through extensive public outreach and the work of the Plummer Park Committee. The Master Plan was included in the Five-Year Implementation Plan adopted by the CDC, as well as the list of the City's Capital Projects. Schematic design drawings for the Park were approved by Council on October 18, 2010. The project will create 179 spaces of underground parking, replacing surface parking, and will also demolish outdated buildings to add an acre of open space to the Park. It will also include extensive landscape and lighting improvements, disabled access, and better security and visibility in the park. Plummer Park is an oasis on the densely populated east side. This project will be completely funded by proceeds from the 2011 Series A Non-Housing Bonds, as encumbered by the bond covenants.

Payments: \$700,000
Payment Source: 2011 Series A Non-Housing Bond proceeds

- 8b) Phase 1 – Plummer Park Master Plan (Oversight [Employee] Costs) – Direct employee costs to manage and oversee the project during pre-development and construction, including construction monitoring to insure prudent and appropriate use of tax-exempt bond proceeds by the contractors and developer.

Payments: \$64,360.32
Payment Source: 2011 Series A Non-Housing Bond proceeds

Changes from ROPS presented at May 10, 2012 meeting

Changes Requested in the May 9, 2012, Seifel Memorandum

- 1) Total outstanding debt (principal and interest) for the three tax allocation bonds (2003, 2011A, and 2011B) was added.
- 2) Back up documentation for the bond fees is provided as Attachment 2.

- 3) 2011 Series A Bond proceeds are listed as the payment source for the Plummer Park Project (Item 12a on previous ROPS). Payment schedule for the project is being developed.
- 4) Items 4, 6, 11, 12b, 12c, 12d, 12e, 12h, and 12i from the previous ROPS were removed.
- 5) The funding source for the costs associated with line item 7a, on the previous ROPS, was changed to 2011 Series A and B Bond proceeds. See items 4b, 5b, and 7b on the revised ROPS.
- 6) Administrative costs were removed from the ROPS and instead included on the Successor Agency Administrative Budget for the same period (see agenda item V.5.). Note: The employee leave liability costs included on the previous ROPS and in the current Successor Agency Administrative Budget were for a former redevelopment agency employee. The proportion of leave liability charged to the redevelopment agency was equal to the proportion of the employee's salary that was charged to the redevelopment agency.
- 7) East Side Project Advisory Committee costs were removed from the ROPS and added to the Successor Agency Administrative Budget for the previous ROPS period (January 1, 2012 through June 30, 2012).
- 8) Item 11 "Area Revitalization Project", was removed.
- 9) Project encumbrances from the bond covenants, items 5a, 6, and 7a were added.

FISCAL IMPACT:

\$5,639,909.77 in RPTTF and 2011 Series A and B Bond proceeds would be allocated to meet the obligations detailed on the ROPS, as detailed in the following table.

Funding Source	Amount	ROPS Line Items Paid
RPTTF	\$2,321,448.25	1a, 1b, 1c, 1d, 1e, 1f, 2a, 2b, 3a, 3b
2011 Series A Non-Housing Bond Proceeds	\$764,360.32	7a, 7b
2011 Series B Housing Bond Proceeds	\$2,554,101.20	4a, 4b, 5b
Total	\$5,639,909.77	

ATTACHMENTS:

Attachment 1: Recognized Obligation Payment Schedule for the period from July 1, 2012 through December 31, 2012.

Attachment 2: Back-up documentation for bond fees